

We hereby certify that this is a true and correct copy of the original instrument

Promissory Note

FIDELITY NATIONAL TITLE

By: AS

Date: July 29, 2016

Borrower:

As to Tract I only:
832 YALE ST, LLC, a Texas limited liability company

As to Tract II only:
2020 MCGOWEN, LLC, a Texas limited liability company

Borrower's Mailing Address: 832 Yale Street
Houston, Texas 77007

Lender: STALLION FUNDING, LLC,
as to an undivided 54.93% (\$1,950,000.00/\$3,550,000.00) interest;
AUSTERRA STABLE GROWTH FUND, LP,
as to an undivided 42.25% (\$1,500,000.00/\$3,550,000.00) interest;
KENNETH HOLLINS,
as to an undivided 2.82% (\$100,000.00/\$3,550,000.00) interest;

Payee and Place for Payment: c/o Stallion Funding, LLC
12710 Research Blvd., Suite 115
Austin, Texas 78759

Principal Amount: \$3,550,000.00

Annual Interest Rate: Fourteen percent (14.00%) per annum from date advanced

Maturity Date: August 1, 2017

Annual Interest Rate on Matured, Unpaid Amounts:

Matured or accelerated unpaid, and past due, principal and interest shall bear interest from date of maturity or acceleration until paid at the highest non-usurious rate allowed by state or federal law, or if no such rate is established, at a rate per annum equal to eighteen percent (18.00%) per annum

Terms of Payment (principal and interest):

Interest only shall be due and payable in monthly installments plus monthly tax escrow in the amount of \$6,039.77, commencing on September 1, 2016, and continuing regularly thereafter on the same date of each month until August 1, 2017, when the entire amount hereof, principal and interest then remaining unpaid, shall be due and payable.

The property tax payments shall be abated for so long as they are paid for by other loans.

Borrower may prepay this note in any amount at any time before the Maturity Date without penalty or premium.

If any installment becomes overdue for more than 10 days, at Lender's option a late payment charge of 5% may be charged in order to defray the expense of handling the delinquent payment.

Security for Payment:

This note is secured by a deed of trust and security agreement of even date herewith from 832 YALE ST, LLC, a Texas limited liability company, and 2020 MCGOWEN, LLC, a Texas limited liability company, to BENJAMIN K. WILLIAMS, Trustee, which covers the following real property:

Tract I:

Lots 19 and 20, in Block 246, of Houston Heights, a subdivision in Harris County, Texas according to the map or plat thereof recorded in Volume 1, Page 114 of the Map Records of Harris County, Texas.

Tract II:

All of Lots One (1) through Twelve (12), inclusive, Block One (1), VIEWPOINT SQUARE REPLAT No. 2, a subdivision of 0.8597 acre, according to the map or plat thereof, recorded under Film Code No. 674649 of the Map Records of Harris County, Texas.

Together with the following personal property:

All fixtures, supplies, building materials, and other goods of every nature now or hereafter located, used, or intended to be located or used on the Property;

All plans and specifications for development of or construction of improvements on the Property;

All contracts and subcontracts relating to the construction of improvements on the Property;

All accounts, contract rights, instruments, documents, general intangibles, and chattel paper arising from or by virtue of any transactions relating to the Property;

All permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Property;

All proceeds payable or to be payable under each policy of insurance relating to

the Property; and

All products and proceeds of the foregoing.

Notwithstanding any other provision in this deed of trust, the term "Property" does not include personal effects used primarily for personal, family, or household purposes.

Promise to Pay

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. If any amount is not paid either when due under the Terms of Payment or on acceleration of maturity, Borrower promises to pay any unpaid amount plus interest from the date the payment was due to the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts.

Defaults and Remedies

If Borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due.

Waivers

Borrower waives, to the extent permitted by law, all (1) demand for payment, (2) presentation for payment, (3) notice of intention to accelerate maturity, (4) notice of acceleration of maturity, (5) protest, (6) notice of protest, (7) rights under sections 51.003, 51.004, and 51.005 of the Texas Property Code, and (8) rights under section 17.001 and chapter 43 of the Texas Civil Practice and Remedies Code and rule 31 of the Texas Rules of Civil Procedure.

Attorney's Fees

Borrower also promises to pay reasonable attorney's fees and court and other costs if an attorney is retained to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

Usury Savings

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if

the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

Other Clauses

Each Borrower is responsible for all obligations represented by this note.

When the context requires, singular nouns and pronouns include the plural.

832 YALE, LLC,
a Texas limited liability company

By: 

Terry J. Fisher, Manager

2020 MCGOWEN, LLC,
a Texas limited liability company

By: 

Terry J. Fisher, Manager

0010-171
LoBW/Stallion/2020McGowen1-20McGowen
BKW/kjd